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SUBJECT: INDO-BANGLADESH RELATIONS SHOW NEW STRAIN

REF: A. NEW DELHI 05567  
[1](#)B. CALCUTTA 00346

Classified By: Ambassador Patricia Butenis, reason para 1.4 d.

[1](#)1. (S) Summary. After a brief respite between the Dhaka SAARC summit in October and Prime Minister Zia's visit to New Delhi in March, Indo-Bangladeshi relations are again showing strain. Given India's support for the opposition Awami League, Indian antagonism towards the current government, and the ruling coalition's penchant for fierce anti-India rhetoric on the campaign trail, the strains seem likely to worsen as various sides play the "India card" in the upcoming elections. However, the concerted action India and Bangladesh both took to end the latest border skirmishes indicates that neither side is interested in a genuine crisis. See para nine for action requested. End Summary.

Bilateral Doldrums  
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[1](#)2. (C) As the Indo-Pak detente developed in 2004, Indian officials and commentators intensified their allegations that Bangladesh was quickly degenerating into a hotbed of Islamist extremism and terrorism. Traditional bilateral grievances -- over water rights, border demarcations, migration, and trade -- were exacerbated by charges that Bangladesh, in cahoots with Pakistan, harbored ULFA and other northeast Indian terrorists. Bangladesh, in turn, charged India with sheltering Bangladeshi criminal kingpins and irredentist Hindu Bengali "terrorists."

[1](#)3. (C) In 2005, Bangladeshi officials fumed when, at the last minute, India pulled the plug on the February SAARC summit in Dhaka, citing in part security concerns after opposition leader Kibria was killed two weeks earlier in a town 70 miles away. Some military officers and government supporters genuinely believe that India engineered last year's traumatizing wave of attacks by Jamaat ul-Mujahidin Bangladesh. Bangladeshis also groused that during her frequent visits to India, Awami League president Sheikh Hasina is received like a reigning head of state, and allege that Awami League leaders routinely go to India for medical treatment and other purposes as guests of the Indian government. Senior ministers routinely blame negative foreign press reports on an Indian conspiracy to denigrate Bangladesh for economic and political reasons.

[1](#)4. (C) Prime Minister Begum Khaleda Zia's March 20-22 trip to India produced no movement on any of these disputes. According to Foreign Secretary Hemayetuddin, it was a "wasted opportunity" as the Bangladeshis went with a full agenda ready to negotiate but encountered only Indian stonewalling. It is incumbent on the regional superpower, Bangladeshis insist, to be generous with its smaller neighbors. For its

part, the Indian High Commission says that Zia soured the tone of her visit by arriving 20 minutes late for her kickoff meeting with President Kalam.

#### The Strains Intensify

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15. (C) In the past four weeks, Indo-Bangladeshi relations have shown new strain:

A) On the margins of the July SAARC ministerial in Dhaka, MEA Minister of State Ahmed, at an Awami League-friendly venue, reiterated Indian concerns about Bangladesh's socio-political trends and set forth a vision of a secular Bangladesh that effectively endorsed the Awami League's political platform. Since Bangladesh is already in an undeclared election campaign, government supporters were particularly sensitive to Ahmed's "partisan" remarks.

B) A highly tendentious column in the Washington Post reiterated the essentially Awami League and Indian view that Bangladesh is falling into an Islamist abyss. Dated factual errors suggested the column was not a new assessment, which fueled speculation about its timing and motivation.

C) Indian opposition BJP President Singh called for the invasion of Bangladesh, and Pakistan, to root out alleged terrorist infrastructure. While some Bangladeshis noted his call was widely repudiated in India, they also pointed out that it reflected the government's position that Bangladesh is unable or unwilling to stop terrorists from using Bangladesh as a platform against India.

D) Renewed skirmishes between Indian and Bangladeshi border

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forces led to more deaths and dislocations, with each side accusing the other of unprovoked aggression. According to Bangladeshi NGO figures, over 400 Bangladeshis have been killed by Indian BSF personnel in the past five years.

E) It became clear that the Bangladesh government would not, during this term, make a decision on the USD 3 billion Tata steel and power project for political and bureaucratic reasons, despite Tata's significantly improved offer on gas pricing. Such a deal would be a watershed for Bangladesh's international business profile. Ironically, public opposition came not from Jamaat Islami, which became supportive after part of the project was slotted for its leader's parliamentary constituency, but from leftist economists and pro-Awami League commentators.

#### Electoral Volatility

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16. (S) Bangladeshi general elections are violent and volatile, and the January 2007 iteration will be no different. The India "card," whether it is played from New Delhi or in Bangladesh, could have significant impact. The ruling Bangladesh Nationalist Party and its coalition partner Jamaat Islami will again play the India card, especially in the border areas where anti-Indian sentiment runs highest; India, they will say, plots to eviscerate Bangladesh's Islamic and nationalist identity and to install as its lapdog the opposition Awami League.

17. (S) The Awami League recognizes that its widely perceived intimacy with New Delhi is a major political liability. However, it makes only fitful efforts to demonstrate distance, like Sheikh Hasina's ridiculous assertion recently that the BNP created the current power crisis to justify buying electricity from India. The Awami League is not short of funds or rich Bangladeshi backers, but the ruling coalition -- after five years in power -- has more. Awami League leaders, though, have privately told us, and presumably others, that they are confident of winning the

next election with the help of massive Indian financing.

#### Trying to Bridge the Terrorism Gap

18. (C) Terrorism is the issue that could throw the relationship into crisis, particularly if another major terrorist incident occurs in India and it is traced back to Bangladesh. The Bangladeshis and the Indians insist that the other side never asks for help on terrorism cases or responds to its own requests for assistance. The Bangladeshis also complain that the Indians refuse to take up offers to visit jointly any alleged terrorist camp, anytime, anywhere. Asked if they have evidence to substantiate allegations of terrorist activity in Bangladesh, High Commission officials tell us their information on training camps comes from terrorists captured in India. In general, however, they refer us for details to press reports or New Delhi.

#### Action Request

19. (C) Given the renewed strain of Indo-Bangladeshi relations and the potential for further deterioration during the elections, and our own interest in identifying and removing terrorist elements from Bangladesh, we recommend that the Department and Embassy New Delhi once again ask GOI interlocutors for evidence to corroborate alarming claims, like the one made to A/S Boucher in New Delhi (ref a), that Jamaat Islami finances the terrorist group Jamaatul Mujahidin Bangladesh. We would follow up through various channels to encourage GOB action. In addition, we should encourage the GOB and the GOI to exercise rhetorical restraint. We do not believe it would be appropriate or effective for the USG to mediate Indo-Bangladeshi disputes, but we are in a position to offer counsel as needed and to serve as a channel to key decision-makers who in Bangladesh are located far from the Foreign Ministry.  
BUTENIS